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No. ——

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1992

ASTRONICS CORPORATION and
RODGARD CORPORATION,
Petitioners,

v.

THEODORE C. PATECELL and
THE PATECELL CORPORATION,
Respondents.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED FOR REVIEW

A court of appeals rule permits affirmance without opinion if the evidence for a jury verdict was sufficient "or" there was no legal error. The question presented is:

In an appeal raising independently dispositive grounds (*e.g.*, insufficient evidence; legal error in instructions), does a court impermissibly curtail the scope of appellate review by affirming without opinion where it finds the evidence sufficient to support a jury verdict, while not addressing dispositive legal error in jury instructions?

STATEMENT REQUIRED BY RULE 29.1

Rodgard Corporation is a wholly owned subsidiary of Astronics Corporation. Rodgard Corporation itself has no subsidiaries, and Astronics Corporaton has no subsidiaries which it does not wholly own.

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PETITION FOR WRIT OF CERTIORARI

OPINIONS BELOW

The appendix to this petition ("Pet. App.") includes the unreported decision of the United States District Court for the Western District of New York denying petitioners' post-trial motion pursuant to Fed. R. Civ. P. 50(b) and 59(a) (Pet. App. 4a-7a). The United States Court of Appeals for the Federal Circuit affirmed by order with no opinion (Pet. App. 3a).

JURISDICTION

The Federal Circuit entered its judgment order of affirmance on May 11, 1992. On June 4, 1992, the Federal Circuit denied petitioners' timely petition for rehearing (Pet. App. 2a). On June 11, 1992, the Federal

Circuit denied the petitioners' suggestion for rehearing in banc (Pet. App. 1a). This Court's jurisdiction is timely invoked pursuant to 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS AND RULE INVOLVED

28 U.S.C. § 2071(a):

> (a) The Supreme Court and all courts established by Act of Congress may from time to time prescribe rules for the conduct of their business. Such rules shall be consistent with Acts of Congress and rules of practice and procedure prescribed under section 2072 of this title.

28 U.S.C. § 2111:

> On the hearing of any appeal or writ of certiorari in any case, the court shall give judgment after an examination of the record without regard to errors or defects which do not affect the substantial rights of the parties.

Federal Circuit Rule 36:

> The court may enter a judgment of affirmance without opinion, citing this rule, when it determines that any of the following circumstances exist:
>
> (a) the judgment, decision or order of the trial court appealed from is based on findings that are not clearly erroneous;
>
> (b) the evidence in support of a jury verdict is sufficient;
>
> (c) summary judgment, directed verdict, or judgment on the pleadings is supported by the record;
>
> (d) the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review; or
>
> (e) a judgment or decision has been entered without an error of law;
>
> and an opinion would have no precedential value.

STATEMENT OF THE CASE

Petitioners brought this action in the United States District Court for the Western District of New York, seeking a declaration of invalidity and non-infringement of respondents' patents for a device known as a "safety roller," which enables an automobile tire to be operated in a flat condition. Respondents counterclaimed, seeking damages for infringement of their patents. The court bifurcated the issues of liability and damages for jury deliberations, and the jury first found that petitioners had infringed one of respondents' patents. (No issue is raised in this Court about that determination.)

Petitioners objected to respondents' proposed jury instructions on damages because they referred to a royalty and there was no evidence on which the jury could base a royalty; respondents acceded and withdrew their request for an instruction on royalty, and the court agreed that "[r]oyalty is out" (A747-49).[1]

Then, after denying petitioners' motion for a directed verdict, which argued, *inter alia*, that respondents had not met their burden of proof as to damages, the trial court instructed the jury on damages. Petitioners objected to the instructions on several grounds of present relevance (A780-83):

> (1) the court instructed the jury that damages could take the form of respondents' lost profits or a reasonable royalty; petitioners objected that there was no evidence for the royalty claim (A780)—which had led to its being withdrawn;[2]
>
> (2) the court instructed the jury that, if they could not determine a reasonable royalty, "then you would

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[1] "A" refers to the joint appendix filed in the Federal Circuit. We have lodged a copy with the Clerk of this Court.

[2] Respondents' attorney conceded that "there is no evidence . . . of what a reasonable royalty is" (A751).

> gauge the loss to Mr. Patecell of any profit that he would have made from his monopolistic exercise of his patent rights" (A776); petitioners objected that the court failed to instruct the jury on the applicable legal standards for determining lost profits, leaving the jury to speculate on that issue, and that there was insufficient evidence of lost profits (A780).

The court did not cure these errors.

The jury returned a general verdict of infringement damages in the amount of $1,223,468, without specifying whether that sum represented lost profits or a reasonable royalty (A785). The amount of the verdict did not correspond with respondents' claim of lost profits (*see* A67 (Trial Exhibit)).

Petitioners moved for judgment notwithstanding the verdict pursuant to Fed. R. Civ. P. 50(b), and, in the alternative, for a new trial pursuant to Fed. R. Civ. P. 59(a). The motion was based upon, *inter alia*, the lack of evidence to support the jury's damages verdict—whether lost profits or a reasonable royalty—and the erroneous jury instructions (A796-99). Respondents admitted that "we do not know if the jury's damage [award] was based on a reasonable royalty or lost profits" (A804). However, the district court denied the motions, stating merely that "there was a sufficient quantum and quality of evidence which was before the jury upon which reasonable jurors could come to the declared conclusion" (Pet. App. 6a). The Court did not indicate what that evidence was, nor did it explain how its finding could be reconciled with respondents' admission that there was no such evidence as to royalties. Of petitioners' objections to the instructions, the court said only that they "were the subject of extensive pre-charge and post-charge arguments" (*id.*).

Upon petitioners' appeal, respondents addressed other issues raised on appeal, but had no response on the with-

drawal of the royalty claim or the merits of petitioners' challenges to the instructions at issue here. Five days after oral argument the Federal Circuit issued an order affirming without opinion, citing Federal Circuit Rule 36 (Pet. App. 3a), which authorizes such affirmance if the evidence is sufficient "or" there are no errors of law.

SUMMARY OF ARGUMENT

Under settled legal principles, petitioners' appeal presented clear legal errors concerning the jury instructions, and a challenge to the sufficiency of the evidence, concerning damages. Even if the evidence were sufficient, the courts of appeals, could not have written an opinion affirming because of the legal errors concerning the instructions. The court affirmed, without opinion, apparently because it concluded that it could do so under Federal Circuit Rule 36, which by its terms permits the court to affirm without opinion where the evidence is sufficient "*or*" there is no error of law. Rule 36 contracts sharply with the similar rules of other courts of appeals which expressly require that the circumstances permitting affirmance without opinion be "dispositive" or that in any case there be no error of law.

As written and applied, Rule 36 permits affirmances that deprive litigants of substantial rights. The use of summary affirmance without opinions is growing among the courts of appeals, in the face of widespread criticism and opposition because of the many adverse effects of such affirmances on the quality of appellate justice. In the exercise of its supervisory jurisdiction, this Court should grant review to address whether Rule 36 comports with law and sound appellate practice and to provide guidance to courts of appeals and litigants on this important question of judicial administration.

REASONS FOR GRANTING THE WRIT

1. For purposes of this petition, we assume *arguendo* that the Federal Circuit could have defensibly concluded that the evidence was sufficient (if barely so) to support the jury's verdict if that verdict was based on lost profits. The problem underlying the petition is that (1) there was concededly no evidence to support a jury finding of a reasonable royalty,[3] and the royalty claim had been withdrawn from the case;[4] (2) the court's instructions permitted the jury to base damages on either lost profits or a reasonable royalty, and it is impossible to know upon which the jury's damage verdict is based;[5] and, in any

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[3] The primary inquiry in determining a reasonable royalty is "what the parties would have agreed upon, if both were reasonably trying to reach an agreement" (*University Computing Co. v. Lykes-Youngstown Corp.*, 504 F.2d 518, 537 (5th Cir. 1974) (quoting *Ergy Register Co. v. Standard Register Co.*, 23 F.2d 438, 443 (6th Cir. 1928)), considering, *inter alia*, "the customary profit allowed licensees." *Panduit Corp. v. Stahlin Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1164 (6th Cir. 1978); *see* Annotation, *Factors to be Considered in Determining a "Reasonable Royalty" for Purposes of Calculating Damages for Patent Infringement Under 35 U.S.C. § 284*, 66 A.L.R. Fed. 186, 194 § 3(a) (1984) (recognizing distinction between "reasonable royalty" and lost profits or other actual damages).

[4] It is reversible error or to instruct the jury on a proposition for which there is no evidence (*Keyser v. Hitz*, 133 U.S. 138, 147 (1890); *Bryan v. United States*, 66 U.S. (1 Black) 140, 148 (1862); *Farrell v. Klein Tools, Inc.*, 866 F.2d 1294, 1297 (10th Cir. 1989); *Jones v. Consolidated Rail Corp.*, 800 F.2d 590, 592 (6th Cir. 1986); *DMI, Inc. v. Deere & Co.*, 802 F.2d 421, 429 (Fed. Cir. 1986)), and, in particular, to award a reasonable royalty without supporting evidence. *E.g., Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 895 F.2d 1403, 1407 (Fed. Cir. 1990) (citing *Devex Corp. v. General Motors Corp.*, 667 F.2d 347 (3d Cir. 1981), *aff'd*, 461 U.S. 648 (1983)).

[5] With a general verdict, if one underlying theory is legally erroneous or unsupported by evidence "the verdict cannot be upheld." *Sunkist Growers, Inc. v. Winckler & Smith Citrus Prods. Co.*, 370 U.S. 19, 29-30 (1962); *Salem v. United States Lines Co.*, 370 U.S.

event, (3) the court failed to instruct the jury about the established standards for determining lost profits,[6] thus leaving the jury impermissibly free to speculate.[7] These

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31, 39 (1962) (Harlan, J., concurring); *United N.Y. & N.J. Sandy Hook Pilots Ass'n v. Halecki*, 358 U.S. 613, 619 (1959) ("A new trial will be required, for there is no way to know that the invalid claim . . . was not the sole basis for the verdict."); *see Memphis Community School Dist. v. Stachura*, 477 U.S. 299, 312 (1986) ("When damages instructions are faulty and the verdict does not reveal the means by which the jury calculated damages, '[the] error in the charge is difficult, if not impossible, to correct without retrial, in light of the jury's general verdict.' ").

[6] Under settled case law, where, as here, a patent holder claims that he would have made *all* of the infringer's sales (A559), then he must establish: (1) a demand for the patented product; (2) his marketing and manufacturing capability to exploit the demand; (3) the absence of acceptable non-infringing substitutes; and (4) the amount of profit which he would have made. *Smithkline Diagnostics, Inc. v. Helena Labs. Corp.*, 926 F.2d 1161, 1165 (Fed. Cir. 1991); *Water Technologies Corp. v. Calco, Ltd.*, 850 F.2d 660, 671-72 (Fed. Cir.) (citing *Panduit Corp., supra*, 575 F.2d at 1164), *cert. denied*, 488 U.S. 968 (1988). The absence of instructions on how to calculate lost profits would have been fatal even if the reasonable royalty issue had been properly before the jury, for these are discrete and independent concepts with different standards. *See Fromson v. Western Litho Plate & Supply Co.*, 853 F.2d 1568, 1574 (Fed. Cir. 1988).

[7] *See Pleasants v. Fant*, 89 U.S. 116, 121-22 (1875) ("duty of a court, in its relation to the jury, [is] to protect parties from unjust verdicts arising from ignorance of the rules of law . . . . This is done . . . by instructing them in the rules of law by which . . . evidence is to be examined and applied."); *Structural Rubber Prods. Co. v. Park Rubber Co.*, 749 F.2d 707, 723 (Fed. Cir. 1984) (trial court has duty "to give instructions which are meaningful, not in terms of some abstract case, but which can be understood and given effect by the jury once it resolves the issues of fact which are in dispute"); *Choy v. Bouchelle*, 436 F.2d 319, 325 (3d Cir. 1970) (new trial required because charge was "totally inadequate in providing legal guidelines to the relevant factual situations here involved;" "task of the jury, to apply the rules of law as given by the court below, certainly cannot be satisfactorily accomplished . . . in the abstract"); *Frederic P. Wiedersum Assocs. v. National Homes*

legal errors, either singly or in combination, constituted reversible error, and on appeal respondents had no meaningful answer to them, yet the Federal Circuit affirmed. Because the affirmance was without opinion, we cannot know whether the Federal Circuit considered these claims of legal error and found them without merit—a conclusion difficult to square with settled case law—or whether, as expressly allowed by Rule 36, the court merely affirmed because it concluded that one of the alternative circumstances set forth in Rule 36 was present, *i.e.*, the evidence was sufficient to support the verdict.

2. Although summary affirmance without opinion may be a necessary tool of judicial administration, such unexplained affirmances entail substantial risks and detriments: the failure to inform the unsuccessful appellant why he has lost; a heightened risk that the issues will not receive adequate attention;[8] an increased prospect for undetectable and effectively uncorrectable error in the

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Constr. Corp., 540 F.2d 62, 66 (2d Cir. 1976) (" 'fundamental' error to give instructions . . . which fail 'to provide even the barest legal guideposts to aid the jury in rationally reaching a decision' "); *Carvel Corp. v. Diversified Mgt. Group, Inc.*, 930 F.2d 228, 232 (2d Cir. 1991). This requirement has due process implications. *In re Japanese Electronic Prods. Antitrust Litig.*, 631 F.2d 1069, 1084, 1085 (3d Cir. 1980); *Clark v. Weeks*, 414 F. Supp. 703, 707 (N.D. Ill. 1976).

[8] As Professor Leflar (also a former state supreme court justice) has explained:

> [Preparing an opinion] assures some measure of thoughtful review of the facts in a case and of the law's bearing upon them. Snap judgments and lazy preferences for armchair theorizing as against library research and time-consuming cerebral effort are somewhat minimized. The checking of holdings in cases cited, the setting down of reasons, the answering of arguments seriously urged, and the announcement of a conclusion that purportedly follows from the analysis set out in the opinion are antidotes to casualness and carelessness in decision. They compel thought. It is even necessary that the thought have some quality of rigorousness in it. [Leflar, *Some Observations Concerning Judicial Opinions*, 61 Colum. L. Rev. 810 (1961).]

court's understanding or analysis of the issues;[9] and the undermining of public confidence in the judicial system by unexplained fiats, which may tend to have the appearance of arbitrariness.[10] *See, e.g.*, Martineau, *Modern Appellate Practice: Federal and State Civil Appeals* § 14.2, at 241-42 (1983); Robel, *The Myth of the Disposable Opinion: Unpublished Opinions and Government Litigants in the United States Courts of Appeals*, 87 Mich. L. Rev. 940, 941-43 (1989); Baker, *A Compendium of Proposals to Reform the United States Courts of Appeals*, 37 U. Fla. L. Rev. 225, 247-48 (1985); Reynolds & Richman, *The Non-Precedential Precedent—Limited Publication and No-Citation Rules in the United States Courts of Appeals*, 78 Colum. L. Rev. 1167, 1174-75 (1978); ABA Comm'n on Standards of Judicial Administration, *Standards Relating to Appellate Courts* 50 (1977).[11] *See also*

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[9] According to one study, after the Fifth Circuit instituted a rule permitting no-opinion affirmances, the rate of affirmances increased substantially relative to other courts of appeals and that court's prior history. Haworth, *Screening and Summary Procedures in the U.S. Courts of Appeals*, 1973 Wash. U. L.Q. 257, 275-80.

[10] "Having a written opinion also assures the parties that the court has given their case a reasonable amount of attention and that its decision was not the result of prejudice, mistake or oversight." Martineau, *Modern Appellate Practice: Federal and State Civil Appeals* 242 (1983).

[11] For these reasons, "those who have studied the need for written opinions have almost without exception concluded that some type of opinion should be prepared in every case." Martineau, *supra* (citing, *inter alia*, Carrington, Meador & Rosenberg, *Justice on Appeal* 33 (1973); Pound, *Appellate Procedure in Civil Cases* 3 (1941); and Advisory Council on Appellate Justice, *Standards for Publication of Judicial Opinions* 4 (1973)); *see ABA Comm'n, supra*, at 49 ("Every decision should be supported, at minimum, by a citation of the authority or statement of grounds upon which it is based."). *Compare In re Shell Oil Co.*, 966 F.2d 1130, 1132-33 (7th Cir. 1992) (Easterbrook, J.) (granting mandamus to require court to state reasons for remand decision; "every dispositive order [s]hould be explained—for the benefit of the parties (who should not have to wonder why a judge acted) as well as [the reviewing] court;" "[r]easons need not be elaborate; often a sentence will do").

NLRB v. Amalgamated Clothing Workers, 430 F.2d 966, 972 (5th Cir. 1970) (opinion of Brown, C.J.) (summary affirmance procedure must be "sparingly used," with due consideration for "the easy temptation or tendency to ill-considered or even arbitrary action by those having the awesome power of almost final review").[12]

Concerns about these issues are particularly acute when the appellate court's decision is not itself readily subject to further review, as is so with decisions of the Federal Circuit,[13] for that involves the practical prospect of essentially unreviewable arbitrariness or error.

Accordingly, when courts do render unexplained decisions it is important that they do so under governing rules written and applied so as carefully to control the practice, lest litigants be wrongly deprived of substantial rights and the quality of appellate adjudication be undermined. Unexplained affirmances have become a subject of growing concern with respect to the federal courts of appeals. *See, e.g.*, Robel, *supra;* Baker, *supra;* Reynolds & Richman, *supra*.[14] Several circuits have adopted rules or procedures that permit unexplained affirmance in specified circumstances. *See* D.C. Cir. R. 14(c); 3d Cir. I.O.P. 6.2.2; 5th Cir. R. 47.6; 8th Cir. R. 47B; 11th Cir. R. 36-1.

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[12] Unexplained affirmances constitute an extreme case of the problem of "secret law" that has provoked continuing concern among jurists and litigants. *See, e.g., County of Los Angeles v. Kling*, 474 U.S. 936, 938-39 & n.1 (1985) (Stevens, J., dissenting).

[13] Because of the specialized nature of most of the Federal Circuit's jurisdiction, its decisions rarely present conflicts with other appellate decisions that might provide a basis for this Court's exercise of its certiorari jurisdiction. Stern, Gressman & Shapiro, *Supreme Court Practice* § 4.21 (6th ed. 1986).

[14] Although this Court's rules contemplate the possibility of "summary" disposition (*see* Sup. Ct. R. 16.1, 18.10), since the curtailment of most of its mandatory appellate jurisdiction in the 1980's, it has been this Court's practice to render some form of explanation in connection with virtually every final disposition it renders on the merits, even if summary in nature.

The Federal Circuit was not one of those courts, until recently. For most of its life that court had followed the traditional practice of providing some form of opinion in every case.

> [T]he Court agreed at the outset to issue an opinion in every single case decided on the merits. Some would be published, some would not be, but every case would get an opinion and every opinion would tell the loser why he lost. [*Proceedings of First Annual Jud. Conf. of the U.S. Ct. of App. For the Fed. Cir.*, 100 F.R.D. 499, 509 (1983) (Markey, C.J.)]

As Chief Judge Markey explained:

> It is tradition. It is a requirement of the courts of this land, thank God. We do not issue fiats. We do not just render a one-worded decision and go away. We explain our decisions. It is one of the great keys of the American judicial system. It is unfortunate that there are today so many cases that each cannot be explained in detail. In our Court there will be an opinion explaining enough to tell you what the law is in every case. And that is the main thing. That is the reason for explaining decisions. You would never know what the law is otherwise. [*Id.* at 511.]

The approach of the Federal Circuit before it adopted Rule 36 in 1989 was in line with the rules of many other busy circuits, which, for cases not disposed of by published opinion, provide for some statement of reasons in every case, either from the bench or in an order. *See, e.g.*, 4th Cir. I.O.P. 36.3; 7th Cir. R. 53(c)(2).

However, the Federal Circuit changed its approach and, like several other circuits before it, adopted a rule permitting summary affirmance without opinion. As revised in 1989, Rule 36 now states:

> The court may enter a judgment of affirmance without opinion, citing this rule, when it determines that *any* of the following circumstances exist:

(a) the judgment, decision or order of the trial court appealed from is based on findings that are not clearly erroneous;

(b) the evidence in support of a jury verdict is sufficient;

(c) summary judgment, directed verdict, or judgment on the pleadings is supported by the record;

(d) the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review; or

(e) a judgment or decision has been entered without an error of law;

and an opinion would have no precedential value. [Emphasis added.]

Although not limited on its face, use of revised Rule 36 was evidently contemplated for cases in which there was a lower court decision explaining why the appellant had lost below. *Proceedings of Eighth Annual Jud. Conf. of the U.S. Ct. of App. for the Fed. Cir.*, 133 F.R.D. 345, 254 (1990) (Markey, C.J.) (losing party reads "the affirmed decision below to find out why he lost on appeal"). *But see* p. 15 n.19, *infra.*

In the Federal Circuit and other courts of appeals, unexplained affirmances have become increasingly common. In 1991, for example, the Federal Circuit disposed of over 30 percent of its cases on the merits without any opinion. *Eighth Year Report of the U.S. Ct. of App. For The Fed. Cir.* 3 (1990). These cases spanned the entire range of the Court's jurisdiction.[15] Unexplained affirmances by other courts of appeals have also reached significant levels.

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[15] Rule 36 affirmances and the lower tribunals involved are identified in the tables in F.2d. *See, e.g.*, 965 F.2d 1063-65; 960 F.2d 154-56; 956 F.2d 1171-74.

1991 Federal Court Management Statistics 26 (1991).[16] "The reality is that the courts of appeals are silently deciding appeals that twenty years ago would have been thought to merit a full opinion. That reality is at odds with the appellate ideal and the proper concept of role. This is one example where the courts of appeals have pursued efficiency at too high a price." Baker, *supra*, 37 U. Fla. L. Rev. at 250.

3. Federal Circuit Rule 36 has a feature that underscores the reasons for concern about no-opinion summary affirmances. Rule 36 permits the Federal Circuit to summarily affirm with no opinion when "any" of five circumstances exist and the panel believes an opinion would have no precedential value. By its terms, however, Rule 36 thus permits affirmance in circumstances where affirmance would ordinarily be impermissible. If the lower court has committed reversible error on any ground, an appellate court cannot properly affirm merely because it finds other claims of error to be without merit. *E.g.*, *United States v. Kozminski*, 487 U.S. 931, 953 (1988) (rejecting challenge to sufficiency of evidence; reversing based on erroneous instruction). Thus, if an appeal involves a challenge to the sufficiency of the evidence supporting a jury verdict *and* a challenge to the legal sufficiency of the jury instructions, the court ordinarily must rule against the appellant on *both* grounds in order to affirm the judgment. *E.g.*, *Jurgens v. McKasy*, 927 F.2d 1552, 1557 (Fed. Cir.) *cert. denied*, 112 S. Ct. 281 (1991). Yet Rule 36 purports to allow the court to affirm if the evidence is sufficient "or" if there is no error of law in the instructions, even if neither such circumstance is dispositive of all issues raised on appeal.

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[16] Overall, more than 12% of written decisions from the other courts of appeals, not including the Federal Circuit, do not state legal and factual elements or judgment rationale. *Id.*

Affirmance of the type thus sanctioned by Rule 36 impermissibly deprives litigants of substantial rights.[17] *See* 28 U.S.C. § 2071(a). Rule 36, moreover, is not aberrational, for it follows almost *in haec verba* the corresponding rule of another circuit. *See* 11th Cir. R. 36-1. Nor does the disjunctive approach of Rule 36 appear to be inadvertent, for similar rules of other circuits that antedated Rule 36, and were presumably considered by its drafters, make clear that circumstance(s) justifying no opinion must be "dispositive," a limitation omitted from Rule 36. *See* 5th Cir. R. 47.6 (formerly R. 21); 8th Cir. R. 47B. The Fifth Circuit's rule further specifies that in connection with any of the circumstances permitting affirmance without opinion, the court must also determine "that no error of law appears . . . ." 5th Cir. R. 47.6; *see In re Perimeter Park Inv. Assocs., Ltd.*, 616 F.2d 150, 151 (5th Cir. 1980).

The present case demonstrates that the Federal Circuit appears to be applying Rule 36 in accordance with its terms, so as to affirm without decision merely when it finds that one of the circumstances listed is present, even though that circumstance is not dispositive of all issues. Thus, here, on its appeal, petitioners made two types of challenges to the judgment: they attacked the sufficiency of the evidence to support the verdict, as to both liability and damages; *and* they attacked the legal sufficiency of the district court's instructions to the jury. As noted, on certain of the issues there was no meaningful opposition by respondents, and no apparent basis for finding no errors of law.[18] The Federal Circuit's affirmance seems

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[17] The fair implication of the "harmless error" rule (28 U.S.C. § 2111) is that an appellate court must reverse for errors that "affect the substantial rights of the parties."

[18] This includes petitioners' claims that (1) the issue of a reasonable royalty could not be submitted to the jury because there was no evidence to support it and respondents had withdrawn the issue; (2) the instructions as to damages were fatally defective

explicable only on the ground that, as permitted by the terms of Rule 36, the court found the evidence sufficient to support the jury's verdict and went no further in considering petitioners' claims of errors of law.[19]

If the court of appeals had written an opinion saying that a damage claim could be submitted to the jury although it had been withdrawn and lacked any evidentiary support or that a jury could properly find a reasonable royalty or lost profits without any guidance, or that the judgment could be affirmed despite prejudicial legal errors in the charge because the evidence was sufficient to support a verdict, its decision would conflict with decisions of this Court and of other courts of appeals and would merit certiorari and reversal (*see* pp. 6-8 & nn. 3-7, p. 13 *supra*). The result should be no different merely because the court has not articulated those conclusions.

We recognize that, in the main, courts of appeals should have wide latitude about whether or how to write opinions. *See Taylor v. McKeithen*, 407 U.S. 191, 194 n.4 (1972) (citing 5th Cir. R. 21, now 5th Cir. R. 47.6).[20] The Court nevertheless should exercise its supervisory jurisdiction to ensure that Federal Circuit Rule 36 is permissibly framed and is being properly applied so as

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because they gave the jury no guidance in determining lost profits, and permitted the jury to engage in unbounded speculation, and (3) as respondents conceded, it was not possible to tell whether the jury's general verdict was based on a reasonable royalty or lost profits (*see* pp. 6-8 & nn. 3-7, *supra*).

[19] Contrary to the premise of Rule 36, in this case there is no lower court opinion providing a plausible alternative explanation, for the district court's only comment on the issues concerning the instructions was that they had been the subject of "lengthy . . . arguments" (Pet. App. 6a).

[20] We note that *Taylor* referred to, and *Amalgamated Clothing* involved, a Fifth Circuit rule that has long required, unlike Rule 36, that the circumstances permitting summary affirmance without opinion must be "dispositive." *See Amalgamated Clothing*, 430 F.2d at 968 n.2.

not to deprive litigants of substantial rights.[21] This is a recurring question of increasing importance not only as to the Federal Circuit but to other circuits that have or may consider like rules providing for no-opinion affirmances. The Court should grant review not only to ensure that Rule 36, as written and as applied, does not exceed the permissible bounds of appellate justice, but also to provide needed guidance to the courts of appeals and litigants about how this tool of appellate decision-making should be applied.

CONCLUSION

This court should grant certiorari.

Respectfully submitted,

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Dated: September 2, 1992

* Counsel of Record

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[21] The "decision" referred to in Sup. Ct. R. 10.1 is normally a ruling in a decided case. However, certiorari jurisdiction is appropriately exercised to review a conflict on the same point when reflected in decisions of different courts about the content of their rules, where that conflict is implicated in the decision of one of those courts in applying its rule. In any event, certiorari jurisdiction is also properly exercised here to correct the departure from the accepted and usual course of judicial proceedings sanctioned by Rule 36 and its application in this case.

APPENDIX

APPENDIX

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

92-1038

ASTRONICS CORPORATION and
RODGARD CORPORATION,
Plaintiffs-Appellants,

v.

THEODORE C. PATECELL and
THE PATECELL CORPORATION,
Defendants-Appellees.

ORDER

[Filed June 17, 1992]

A suggestion for rehearing in banc having been filed in this case,

UPON CONSIDERATION THEREOF, it is

ORDERED that the suggestion for rehearing in banc be, and the same hereby is, declined.

FOR THE COURT,

/s/ Francis X. Gindhart
FRANCIS X. GINDHART
Clerk

Dated: June 17, 1992

cc: JEREMIAH J. MCCARTHY
GLENN L. STEPHENSON

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

92-1038

ASTRONICS CORPORATION and
RODGARD CORPORATION,
Plaintiffs-Appellants,

v.

THEODORE C. PATECELL and
THE PATECELL CORPORATION,
Defendants-Appellees.

ORDER

[Filed June 4, 1992]

Before MAYER, Circuit Judge, MICHEL, Circuit Judge, PLAGER, Circuit Judge.

A petition for rehearing having been filed in this case,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, denied.

The suggestion for rehearing in banc is under consideration.

The mandate will issue on June 11, 1992.

FOR THE COURT,

Date: June 4, 1992 /s/ Francis X. Gindhart
FRANCIS X. GINDHART
Clerk

cc: JEREMIAH J. MCCARTHY
GLENN L. STEPHENSON

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

92-1038

ASTRONICS CORPORATION and
RODGARD CORPORATION,
Plaintiffs-Appellants,

v.

THEODORE C. PATECELL and
THE PATECELL CORPORATION,
Defendants-Appellees.

JUDGMENT

On Appeal from the United States District Court Western District of New York/Buffalo in Case No(s) 85-1226E.

This CAUSE having been considered, it is

ORDERED and ADJUDGED:

Per Curiam: (MAYER, MICHEL, and PLAGER, *Circuit Judges*):

AFFIRMED. See Fed. Cir. R. 36.

ENTERED BY ORDER OF THE COURT

/s/ Francis X. Gindhart
FRANCIS X. GINDHART
Clerk

Dated: May 11, 1992

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

CIV-85-1226E

ASTRONICS CORPORATION,
and RODGARD CORPORATION,
Plaintiffs,

-vs-

THEDORE C. PATECELL
and THE PATECELL CORPORATION,
Defendants.

MEMORANDUM AND ORDER

In the business arena of designing, manufacturing and purveying plastic inserts which enable an automotive vehicle to proceed for a substantial distance and at a substantial velocity after one or more of such vehicle's tires had been punctured or had become flat for any other reason, the defendants had accused the plaintiffs of having infringed a certain patent issued to Mr. Patecell as to which patent the defendant corporation was the exclusive licensee. As a result or for such reason, the plaintiffs—parent and subsidiary corporations—instituted the instant lawsuit asking that the patent be declared invalid or at least not infringed. The plaintiffs also asked to have it found and declared that the defendants had unfairly competed with the plaintiffs, had defamed the plaintiffs and had interfered with the plaintiffs' contractual relations. The plaintiffs sought injunctive relief. The defendants, as counterclaims, asserted that the plaintiffs had been guilty of unfair competition, had infringed Mr. Patecell's patent, had defamed the defendants, had abused legal process, had illegally restrained trade and

had converted the defendants' business "know how" to the plaintiffs' own business benefit.

After a trial of moderate length the jury answered special interrogatories to indicate that a particular one of the plaintiffs' products infringed certain of Mr. Patecell's patent claims and that plaintiff Rodgard Corporation had so stood in a special or fiduciary position as to the defendants that Rodgard Corporation should have suffered a debarment from selling to others. Monetary damages were awarded.

The plaintiffs have moved for a judgment *non obstante veredicto* or, alternatively, for a new trial. The defendants have opposed such motion and have moved for an award to them of attorney's fees and costs, as a punishment to the plaintiffs for the instituting of this litigation.

A less strongly presented fundament for the granting of the plaintiffs' motion for a new trial is claimed newly discovered evidence in the form of a decision by the United States Court of Claims in a lawsuit which the defendants had filed and pursued against the United States. Such lawsuit had been settled and the defendants had sought on this trial to advise the jury of such disposition. The plaintiffs' objections thereto were sustained, repetitively. While the plaintiffs claim to have come upon the decision only recently and by accident, this Court holds to its decision that neither the settlement nor any other facet of the Court of Claims proceeding should be adduced in this trial.[1]

While there may always be a claim that patent litigation instituted by one who is claimed to be infringing or whose customers are alleged to be infringing is unnecessary inasmuch as the patentee himself has not sued for infringement, it is now well established that one who di-

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[1] Defendants' Exhibit 32, a stipulation in the United States Court of Claims for entry of judgment in favor of the defendants, was admitted but later removed from the evidence in the case.

rectly or indirectly (as, for example, by harassment of his customers) is claimed to be infringing can anticipatorily initiate legal proceedings looking towards a declaration of non-infringement. Nothing more than such action by the plaintiffs appears to be here involved. As a consequence, there is insufficient basis for sanctioning the plaintiffs by holding them responsible for the defendants' attorney's fees and costs.

The plaintiffs now contend that the damages awarded by the jury are grossly excessive. The jury, they say, was not properly instructed concerning what would constitute a reasonable royalty to the owner of an infringed patent and point to a claimed concurrence by the defendants that the award of $1,223,468 far exceeds what courts can allow as royalties. That the jury may have been generous in its award does not derogate from its having had a reasonable basis therefor. There was a sufficient quantum and quality of evidence which was before the jury upon which reasonable jurors could come to the declared conclusion. This Court's instructions on such point were the subject of lengthy precharge and post-charge arguments. Further, the jury was instructed that the defendants had the burden of proving what damages they had sustained by virtue of the plaintiffs' infringement and that, if the jurors were left without a showing of damages by a preponderance of the evidence, they should declare that the defendants' damages were merely nominal—that is, in the amount of one dollar.

The remainder of the plaintiffs' contentions why they should be granted a judgment *non obstante veredicto* or a new trial have been considered.

Also, this Court has fully considered the defendants' motion for an award of attorney's fees and the arguments for and against such an award and finds such an award not warranted in these circumstances.

Acordingly, it is hereby ORDERED that the plaintiffs' said motions and the defendants' motion for attorney's fees are denied.

DATED: Buffalo, N.Y.
October 1, 1991

/s/ John T. Elfvin
U.S.D.J.